

**STATE OF ILLINOIS**

**ILLINOIS COMMERCE COMMISSION**

<b>Illinois Commerce Commission</b>	:	
<b>On Its Own Motion</b>	:	
<b>-vs-</b>	:	
<b>Mt. Carmel Public Utility Company</b>	:	<b>00-0727</b>
	:	
<b>Reconciliation of revenues collected</b>	:	
<b>under fuel adjustment charges with</b>	:	
<b>actual costs.</b>	:	

**ORDER**

By the Commission:

On November 8, 2000, the Illinois Commerce Commission ("Commission") entered an Order commencing FAC reconciliation proceedings, which directed Mt. Carmel Public Utility Company ("Mt. Carmel" or "Respondent" or "Company"), to present evidence in this docket at a public hearing to show the reconciliation of revenues collected under its Fuel Adjustment Clause tariff ("FAC") with the actual cost of fuel supplies prudently incurred and recoverable under said FAC for the period from January 1, 2000, through December 31, 2000, (the "Reconciliation Period").

Notice of the filing of Respondent's testimony and schedules with the Commission was posted in Respondent's business offices and was published in newspapers having general circulation in Respondent's service territory, in the manner prescribed by 83 Ill. Adm. Code 255, in compliance with the Commission's Order commencing FAC reconciliation proceedings in this docket.

Pursuant to proper legal notice, a prehearing conference was held in this matter before a duly authorized Administrative Law Judge of the Commission at its offices in Springfield, Illinois, on April 26, 2001. Thereafter, an evidentiary hearing was held on July 24, 2001. Appearances were entered by counsel on behalf of Respondent and by members of the Commission's Energy and Financial Analysis Divisions ("Staff"). Evidence was presented by Respondent, and at the conclusion of the hearing on July 24, 2001, the record was marked "Heard and Taken."

The record contains a detailed description of Respondent's practices and procedures for reconciling the revenues collected under its FAC with the actual costs recoverable under such tariff during the Reconciliation Period.

### Respondent's Evidence

Philip Barnhard, IV, Mt. Carmel's President, testified that Mt. Carmel purchased all of its electric power requirements in calendar year 2000 from Ameren Energy Company. He testified as to his responsibility for supervising the calculation and filing with the Commission of Respondent's monthly FAC and annual reconciliation required by Respondent's FAC tariff. Mr. Barnhard sponsored Exhibits E-1 and E-2 to his direct testimony that identified and reconciled all components of the Company's 2000 fuel costs and recoveries. Exhibit E-1 shows Mt. Carmel's fuel adjustment charge rate sheets. Exhibit E-2 shows that Respondent had an FAC under-recovery of \$37,112.25 for calendar year 2000, and an over-recovery balance at December 31, 2000 of \$23,980.85. This over-recovery balance was refunded to Mt. Carmel's customers in January and February, 2001, resulting in a requested ordered reconciliation factor of 0.00.

Mr. Barnhard also expressed the opinion that Mt. Carmel's procurement of fuel supply purchases was prudent during 2000.

### Staff's Position

Bonita Pearce, a member of the Accounting Department of the Commission's Financial Analysis Division, stated at the evidentiary hearing that Staff had reviewed the Company's filing and the Company's responses to extensive data requests concerning the revenues collected under the FAC tariff and costs recoverable under such tariff. Ms. Pearce stated that Staff had found no reason to object to Respondent's reconciliation of FAC revenues collected under its FAC tariff with the actual cost of fuel supplies. Ms. Pearce stated that Staff recommends that the Commission accept the reconciliation of revenues collected under the FAC tariff with actual costs, as reflected on Mt. Carmel Exhibit E-2.

James Spencer, a member of the Engineering Department of the Commission's Energy Division, stated that Staff had reviewed the Company's filing and responses to extensive data requests concerning the prudence of the Company's fuel supply purchases during the reconciliation period. Mr. Spencer further stated that Staff found no reason to dispute the Company's assertion that all fuel and power supply purchases were prudently incurred during the reconciliation period.

The Commission, having considered the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) Respondent is a corporation engaged in the distribution of electricity and natural gas to the public in Illinois and, as such, is a public utility within the meaning of the Public Utilities Act;

- (2) the Commission has jurisdiction over Respondent and of the subject matter of this proceeding;
- (3) the statements of fact set forth in the prefatory portion of this Order are supported by the evidence and the record and are hereby adopted as findings of fact;
- (4) the evidence shows that during the calendar year 2000 Reconciliation Period, Respondent acted reasonably and prudently in its purchase of fuel;
- (5) for the calendar year 2000 Reconciliation Period, the Commission accepts Respondent's proposed reconciliation of revenues collected under its FAC tariff with the actual cost of fuel supplies during that year as described in Exhibit E-2 to the direct testimony of Mr. Barnhard; this reconciliation is attached to this Order as the Appendix.

IT IS THEREFORE ORDERED that the reconciliation submitted by Mt. Carmel Public Utility Company of the revenues collected under its FAC tariff with costs prudently incurred for the purchase of fuel for calendar year 2000, is hereby approved.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this 2nd day of October, 2001.

(SIGNED) RICHARD L. MATHIAS

Chairman

(S E A L)